

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



April 26, 1984

ALL-COUNTY LETTER NO. 84-50

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: TREATMENT OF INCOME TAX REFUNDS RECEIVED BETWEEN MARCH 1, 1984 AND
APRIL 9, 1984 BY AFDC, RCA AND ECA APPLICANTS AND RECIPIENTSREFERENCE: ALL COUNTY LETTER NO. 84-43, Dated April 9, 1984
ALL COUNTY LETTER NO. 84-27, Dated February 23, 1984

In All County Letter (ACL) 84-27 you were instructed to treat income tax refunds received on or after March 1, 1984 as income per MPP Sections 44-113.8 and 44-207.4. After the April 5, 1984 California Supreme Court's ruling (copy attached) in the case of Vaessen v. Woods, we issued ACL 84-43 which instructed you to disregard the provisions of ACL No. 84-27 and to treat such refunds as property for grant and eligibility determination purposes.

Since April 9, 1984 many counties have inquired about what action if any should be taken for cases in which such refunds were counted as income from March 1, 1984 through April 9, 1984. In order to fully comply with the Supreme Court's ruling, you are hereby instructed to apply the provisions of ACL 84-43 to all applications received on or after March 1, 1984 and to continuing cases. Therefore, you should rescind any denial, discontinuance, or reduction of AFDC benefits taken on or after March 1, 1984, as a result of counting such refunds as income and pay benefits to which the assistance unit was otherwise entitled. For previously denied applications determined to be otherwise eligible, the beginning date of aid shall be in accordance with MPP Section 44-317.8 in effect on the date of application.

For continuing cases determined to be otherwise eligible, in which AFDC benefits were reduced or discontinued, correction of the underpayment shall be made in accordance with MPP Section 44-340. In addition, for cases in which AFDC benefits were discontinued no penalty for late reporting shall be imposed for CA 7's received after April 11, 1984.

For cases denied or discontinued and which are determined to be still ineligible for other reasons, a new notice of action meeting the requirements of MPP Section 22-001.1 shall be sent. The effective date of the new discontinuance action shall be in accordance with MPP Section 44-325.3.

If you have any questions regarding this letter please contact Joe Carleton at (916) 322-5387.

Kyle S. McKinsey
KYLE S. MCKINSEY
Deputy Director

Attachment

cc: CWDA